

NEW UPSURGE PREDICTED FOR LUMBER COSTS

BOCA RATON, Fla. (AP)

—An acute timber shortage in the next five years, accompanied by a new upsurge of lumber prices and a shift to substitutes, was predicted today by U.S. Budget Director Robert P. Mayo.

Mayo is chairman of President Nixon's special task force on lumber. His speech, prepared for the fall meeting of the National Forest Products Association, was considered to reflect the views of the task force.

"With housing construction expected to expand rapidly as soon as financial conditions ease, it is necessary that we substantially increase the available supply of softwood timber" Mayo said.

Demand for softwood by 1973 may be 6 to 8 billion board feet above the current output of 50 billion a year, Mayo estimated.

To meet this "major challenge," the budget chief said, the federal government may be able to increase the timber harvest from national forests by more than 2 billion board feet, and the increase in production from state and privately owned forests might match that total. Much greater private output is needed, he said.

"That still leaves a gap of several billion board feet, a portion of which would have to be filled by substitutes and imports," Mayo said.

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"Construction Costs"